

## **AB 2341 Examples:**

### **Meets AB 2341 Requirements (applies to all entities)**

- The corporation filed a 2005 calendar year return marked "FINAL".
- The return was filed on 10/16/06 (extended due date).
- No business was conducted after 12/31/05. In case of a foreign corporation, no business was conducted in California.
- The corporation filed the appropriate paperwork with the SOS. The SOS accepts the paperwork on 11/4/06.

**Note:** The corporation has until 10/16/07 to file the appropriate paperwork with the SOS.

- The corporation made an \$800 estimated tax payment for the 12/06-tax year.
- The corporation can request a refund from the FTB after it receives the Certificate of Dissolution or Surrender from the SOS.

### **Does Not Meet AB 2341 Requirements (applies to all entities)**

- The LLC filed a 2005 calendar year return marked "FINAL".
- The return was filed on 11/1/06 (after the extended due date).
- No business was conducted after 12/31/05. In case of a foreign LLC, no business was conducted in California after that date.
- The LLC filed the cancellation paperwork with the SOS. The SOS gives the LLC a cancellation date of 1/18/06.
- The LLC made the \$800 annual tax payment for the 12/06-tax year.

Because the LLC did not file a timely 12/05 return, it will owe the \$800 for the 12/06 taxable year.

### **Did Not Check the Final Return Box on the Return (applies to all entities)**

If a business entity calls or writes the FTB that it forgot to check the FINAL return box on the return and wants a refund of the amount paid for the minimum franchise tax or LP, LLP, or LLC annual tax for the succeeding year, the Customer Service Rep (CSR) would check to see if the last return was timely filed:

- If the last return was **not** timely filed then the tax for the succeeding year cannot be refunded.
- If the last return **was** timely filed then the CSR will allow a refund after the taxpayer sends or faxes a letter to the FTB stating **all** of the following:
  - The last return filed was the final year.
  - The entity did not conduct any business after the date of the final return period. In the case of a foreign entity, that they did not conduct any business in California after the final return period.
  - Attach a copy the Certificate of Dissolution, Surrender, or Cancellation showing the date the SOS granted the dissolution, surrender, or cancellation and that it was done within 12 months of the filing date of the timely final franchise or annual tax return.